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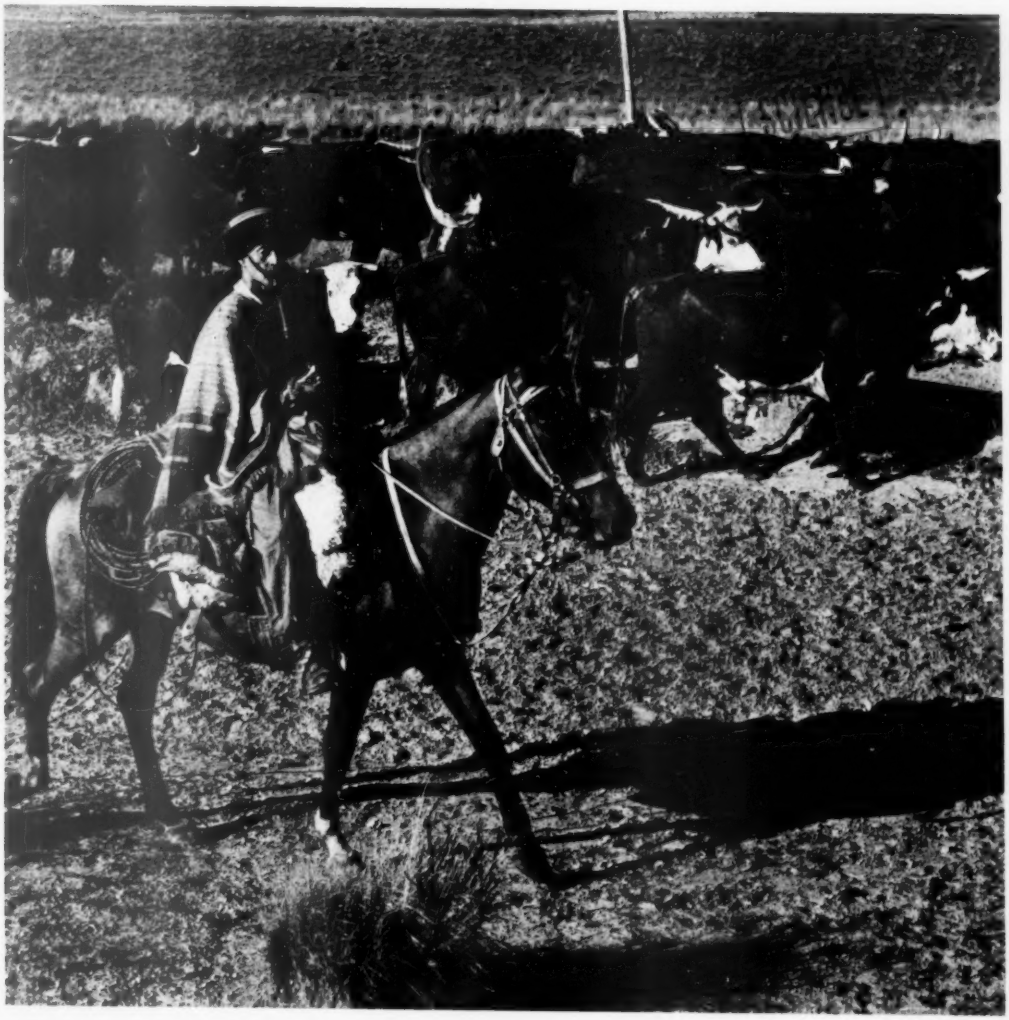

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Brazil—
Agricultural Potential
And World Trade Ties

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This week's cover:

Typical cattle-raising farm in the flat land of Rio Grande do Sul, Brazil. Pasture and livestock improvements are underway in the hope of boosting meat exports. See story beginning this page for further aspects of Brazil's agricultural potential; other stories in this issue also deal with Brazil.

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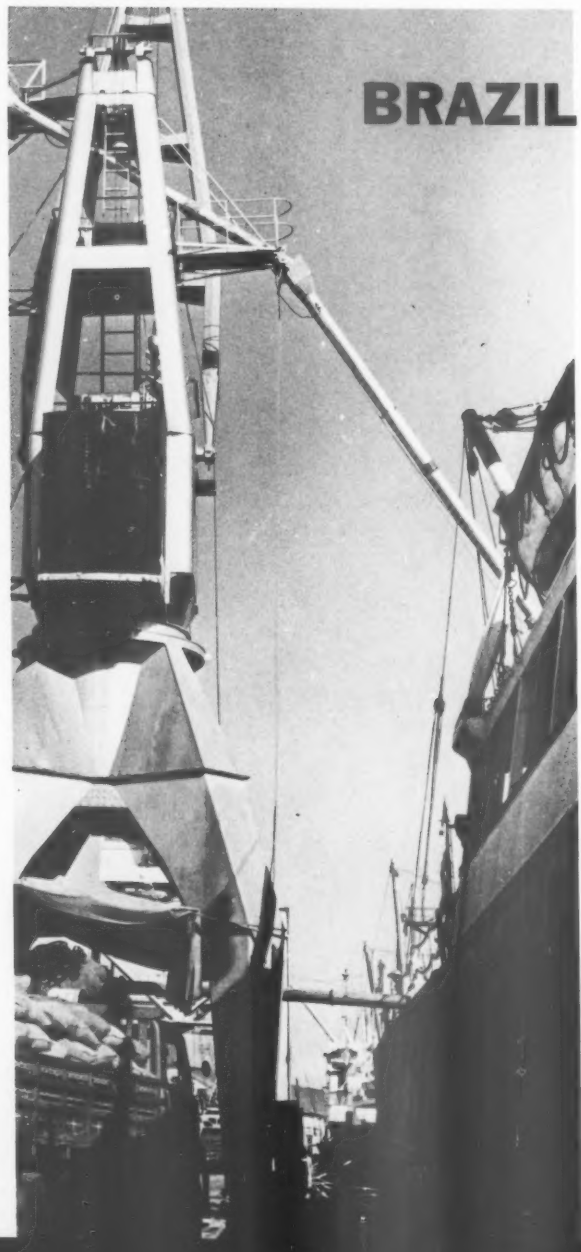

Left, experimental sorghum field. This crop may help drought-stricken areas. Below left, corn-loading equipment. Port improvement will aid exports.

Begins To Tap Its Vast Potential In Farm Output And Trade

By JOHN C. McDONALD
U.S. Agricultural Attaché
Brasília

Brazil, the awakened giant of the Southern Hemisphere, looks ahead to the day when it will challenge traditional world leaders in agricultural production and exports.

Admittedly, this day is some distance in the future. In the United States, for example, 1969 crop and livestock production, though only around 3 percent of the total GNP of $931.3 billion, was valued at $27.5 billion. In Brazil that year, agriculture's share of the GNP of slightly over $31 billion was around a fifth, but the value was only $6 billion or so. Brazil today, however, is beginning to realize the vast agricultural potential that has lain dormant for centuries.

All the world knows that Brazil is foremost among the coffee-growing countries, with a postwar average share of about 45 percent of the global total. Not surprisingly, it has always been No. 1 in production and exports of brazil nuts. But not so commonly known is the fact that in 1968 (by FAO calculations) it was also No. 1 in the production of dry beans, bananas, cassava, sisal, castor beans and oil, and babassu kernels and oil.

Not so commonly known either is the fact that Brazil, which is larger than the contiguous continental area of the United States and has a wide range of soils and climates, is becoming an ever more respected rival of the developed countries in the production of such Temperate Zone commodities as corn, soybeans, cotton, tobacco, and vegetable oils.

In 1968, Brazil was No. 2 in corn production—far behind the United States but ahead of all others; No. 3 in soybeans and corn oil; and No. 4 in cotton and tobacco. (These rankings do not include Mainland China, whose agricultural production is known to be very large but whose agricultural statistics are not readily available.)

Ranking No. 5 in meat production, Brazil has one of the biggest cattle herds in the world and one of the largest hog populations.

Other farm products for which Brazil ranked high in 1968 among world producers are sugarcane, oranges, and pineapples (second place); cocoa beans (third place); centrifugal sugar, jute, and pepper (fourth place).

There is every reason to believe, as forecasters look ahead to 1975 and beyond, that Brazil will climb to a position of even greater eminence in world agriculture. To this end, the Government has established successful incentives like hugely augmented availability of rural credit, improved minimum prices, tax exemptions for modern farm inputs and machinery, a national campaign to plant more and export more, and frequent exchange devaluations to spur exports.

But a lot of effort lies ahead. Research and extension must be upgraded and expanded. Hundreds of thousands of technicians must be trained, and graduate education in agriculture augmented. Brazil must learn to exploit its millions of acres of less fertile land. Farming methods must be improved to increase yields in already cultivated areas and to make possible the establishment of permanent and commercial agriculture in the tropical North and the arid Northeast. And millions of potential consumers must enter the money economy.

On the trade side in 1968 (the year for which FAO statistics supply most of these global rankings), Brazil was the world's No. 1 exporter of coffee, castor oil, and brazil nuts. It ranked second for sisal and centrifugal sugar; third for soybeans; fourth for cocoa beans; fifth for jute and cotton (by 1969 it had risen to second for cotton and, except for unfortunate weather, might have climbed past the United States into first place); sixth for corn, tobacco, and pepper; and seventh for rice.

Brazil is highly likely in the near future to improve its relative rank in several of these export categories, among them the Temperate Zone commodities cited before. It has the good fortune to harvest and market these nontraditional products at a season of the year when most other large producers are fighting snow.

"The potential is tremendous," says the chief officer of a U.S.-based agribusiness firm that processes and exports Brazilian food and fiber crops in a large way. "Look in any direction —to the Amazon, to commercial agriculture in the South, to the São Francisco River valley in the Northeast —and you see lots of room for expansion." He proceeded to tick off some of the commodities of interest to his company—sorghum, sunflowerseed, and soybeans, among others.

A single company, he reported, began to contract with São Paulo State farmers only 3 years ago to test plant virtually the first commercial grain sorghum in Brazil for use in its formula feeds. The 1971–72 season—the fourth year—will witness a harvest of 250,000

tons or more, he said, " and within 4 or 5 years, Brazil should be exporting sorghum if the international market continues to grow."

He noted that São Paulo State, where most of the sorghum is planted, had 2 years of unfavorable weather during the trials, and yet grain sorghum proved both drought- and water-resistant. (The often drought-stricken Northeast also is watching grain sorghum as a possible answer to some of its food and feed problems.) Not so with sunflowers, which the same company is also testing. "But we'll harvest 10,000 to 20,000 tons of sunflowerseed this year for a starter," the company official said. "Sunflowers are coming along well with Argentine seed. They will become established, too."

He said soybeans is the crop with perhaps the greatest future in Brazil. Production rose from 1.3 million tons in 1969–70 to an estimated 2 million this year, and he added "it's going, going up." Much of the impetus comes from double-cropping soybeans with wheat. This enables growers to take two crops a year from the land, using the same machinery—and some other inputs—which, in less fortunate climates, can serve only a single annual crop.

Soybeans promise even to outdo wheat in Brazil, although the latter is heavily abetted by high prices (about $100 a metric ton) in a guaranteed Government market and soybeans are on their own, more or less, with a support price of about $56 a ton.

In calendar 1970, the internal market price was far higher than the support price; as a consequence, only 174,000 tons of soybeans went temporarily under Government loan, none being purchased outright. The internal market was so demanding that exports declined from 310,000 tons to 290,000, although soybean cake and meal exports rose 78 percent to 525,000 tons. Last November, on the heels of a poor wheat harvest in northern Paraná State (the only place where wheat did badly in 1970–71), all the wheat area and more was carpeted with young soy plants, wherever the eye could see.

Oilseed crushing capacities for peanuts, cottonseed, and soybeans, with emphasis upon the last, should be doubled by 1975. Brazil, a net importer of edible oils until 2 years ago, exported 35,000 tons—mainly peanut oil—in 1970 and already had exceeded that volume in the first half of 1971. Peanut production should continue to expand, assuming favorable world prices for nuts, cake, and meal.

Brazil normally accounts for 42 to 45 percent of world castorseed production and 50 to 70 percent of world exports of castorseed and oil, oil basis. Rising labor costs and a trend toward farm mechanization are likely to result in declining production in southern Brazil; but in the Northeast, low-cost labor and a lack of alternative crops will keep Brazil at the top of the castor heap.

Cotton and cottonseed oil are currently in short supply because of 2 years of unfavorable weather. But, despite the impatience of some growers with cotton ("It takes too long," they say; they would rather double-crop food crops), some observers believe that Brazil can one day become the world's greatest cotton producer, since large land areas with good soil and climate may still be brought into use. This is occurring in the vast central State of Goiás, where major emphasis is focusing upon cotton to replace dryland rice as the State's most valuable crop.

Wheat production has expanded dramatically in the past half-dozen years, climbing during that period from 250,000 tons to a record 1.7 million tons. The latter total supplied, for the first time, 50 percent of Brazilian consumption needs plus seed. There is high-level clamor for self-sufficiency, but others look at the low yields and high costs and say that Brazil might more profitably concentrate on commodities that it produces at low comparative cost—there are many important ones—and import half its wheat from efficient suppliers who buy other Brazilian goods including manufactures.

Corn production and exports set records in 1970, but a ban on male sterile seed plantings this year because of leaf blight will temporarily retard expansion. The long-term outlook, however, is considered excellent. Port limitations now place a 2 million-ton ceiling on exports, but projected improvements, some to be financed by a World Bank loan signed in June, will lift that ceiling.

Coffee production will double this year after a disastrous postfrost crop in 1970. It is believed that future losses from coffee rust fungus can be reduced by spraying, which will increase production costs, and by new plantings of rust-resistant varieties. Barring weather calamities, coffee supplies should continue to fill export and domestic requirements without significant shortages or surpluses.

Sugarcane potential is almost unlimited. Cocoa research and extension promise improved supplies ahead. Brazilian horticulturists claim the country is the second largest citrus producer in the world and the largest producer of pineapples (in 1968 Brazil was No. 2) and bananas. Already a leading exporter of concentrated orange juice, Brazil is continuing to expand capacity both in existing plants and through new facilities. Production of oranges, currently second in the world, could increase markedly by 1975, according to some forecasts, if present planting trends continue.

Year-to-year meat export increases can be expected if pasture and livestock management improvements catch hold with a consequent shortening of the turnover cycle and a better meat extraction rate. The Government is starting to import breeding swine to upgrade Brazil's enormous herd.

Brazil's economic upsurge in recent years has caused the world to sit up and

(Continued on page 16)

Preparing to plant pangolagrass in artificial pasture.

Argentine wheat enroute to port. Brazil is a leading buyer.

Brazil Has Important Trade Ties With Many Countries

Brazil is an active trader on world markets, exporting and importing food-stuffs and raw materials from numerous countries around the world. It has concessional and bilateral agreements with at least 15 nations in North and South America, the Communist Bloc, the Near East, and Africa. Despite these agreements, however, trading with Brazil is frequently hampered by restrictions and levies that affect most of the country's trading partners.

The United States is Brazil's most important trading associate, absorbing about half of that country's exports and providing two-fifths of its imports. Following the United States are Argentina, West Germany, Italy, the Netherlands, and the United Kingdom.

Two of Brazil's largest single import items are wheat and petroleum (crude and derivatives), which together constitute about one-fourth of the value of all imports. Coffee provides 45 to 50 percent of the value of all of Brazil's exports, followed by iron ore and cotton. More than one-half of Brazil's coffee is exported to the United States.

In its trade relations with the United States, Brazil is changing from a nation largely dependent on food aid to a strong dollar market. In the past 2 years, Brazil increased its dollar purchases of U.S. farm products from $32 million in 1969 to $43.4 million 1 year later, while imports under Public Law 480 and other U.S. Government programs dropped from $36.5 million to $25.1 million in the same period.

Total U.S. agricultural exports to Brazil in 1969 and 1970 remained steady at $68.5 million. Total exports to Brazil—agricultural plus industrial—amounted to $667.4 million in 1969 and $838.3 million in 1970.

In 1969 and 1970, Brazil ranked first among South American nations as a supplier of agricultural products to the United States. In the first year, Brazil provided this country with farm products valued at $499.1 million. The following year they rose to $531 million.

Despite Brazil's present strength as a dollar market, in past years it leaned heavily on concessional sales—particularly of grain. Since 1954, when P.L. 480 went into effect, the Government of Brazil has signed 10 concessional agreements with the United States under Title I of the law.

Under the most recent U.S. arrangement, signed in October 1970, this country supplied about 400,000 metric tons of wheat to be paid for over a 30-year period in convertible currencies.

The Brazilian Government is also purchasing on concessional terms 1 million tons of Canadian wheat over a 4-year period, 1970–74. Canada also agreed to donate Can$10 million worth of goods and services to strengthen Brazil's infrastructure.

In October 1970, the United States and Brazil concluded a bilateral agreement to regulate textile exports to this country. This pact replaced an existing system of unilateral restraints on textiles applied by the United States.

Representatives of the two Governments also signed a "Memorandum of Understanding" on March 24, 1971, under which 560,000 bags (132 lb. each) of tax-free green coffee are to be made available annually to U.S. manufacturers of soluble coffee.

With this agreement, the Brazilian Government abolished an export tax of 13 cents per pound on its soluble coffee shipped into the United States. The tax, and the agreement which superseded it, were adopted to achieve parity on raw materials available to U.S. and Brazilian soluble coffee manufacturers.

A Brazilian-Argentine bilateral agreement under which the latter agreed to supply 1 million tons of wheat a year to Brazil expired at the end of last year.

Preliminary talks were held prior to the end of 1970 to renew the agreement, but they were unsuccessful because Argentina had suffered a poor wheat crop and Brazil would not agree to pricing changes insisted on by the Argentine Government. Negotiations in late July again failed to result in an agreement, and further meetings were scheduled for September.

As of the end of July, Argentina's calendar 1971 wheat shipments to Brazil amounted to only 72,000 tons, all a carryover from its 1970 commitment.

Brazil had a similar accord with Uruguay under which Brazil agreed to accept a lesser amount of wheat, but supplies were irregular and the agreement was allowed to expire. In April 1971, Uruguay sold Brazil 20,000 metric tons of wheat under an open competitive tender, and on July 14 it signed an agreement which bound it to supply Brazil with at least 60,000 tons of wheat during September-December 1971. If supplies are available, Uruguay has the option to ship still another 20,000 tons.

Uruguay has asked for talks which could lead to a "permanent" agreement under which Brazil would buy up to 150,000 tons of Uruguayan wheat annually.

Brazil also has bilateral trade agreements with six East European nations—Bulgaria, Hungary, Yugoslavia, Poland, Romania, and Czechoslovakia—with the Soviet Union and with five Middle Eastern and African nations—Israel and Lebanon, and Liberia, Cameroon, and Senegal.

The Communist Bloc arrangements are called "Trade Agreements with Payments Provisions and Economic Cooperation." They are couched in general language committing the bilateral partners only to increase their commerce and to meet periodically to discuss ways to achieve this objective.

The payment provision clause of each agreement stipulates a maximum value of commodities which each country may ship to the other before an accounting must be made. When that limit is reached—when, for example, Brazil has furnished "X" million dollars' worth of goods (coffee, perhaps) to one of the countries—it will ship no more until that country has erased all or part of its debt by furnishing wheat or agricultural machinery or other products to Brazil.

The agreements with the five non-Communist countries are less specific than those signed with Communist nations. That with Lebanon, for instance, is entitled "Treaty of Friendship, Commerce, and Navigation." Most of the other pacts have the words "agreement" and "trade" in their generalized titles, but their provisions do not commit either signatory to undertake specific activities.

In addition to these trade agreements, Brazil is also signatory to other pacts. It is a member of the General Agreement on Tariffs and Trade (GATT) and of the Latin American Free Trade Area (LAFTA), and benefits from preferential duties and other mutual trade concessions made within LAFTA.

Despite these agreements, certain Government of Brazil administrative procedures are a burden to exporters shipping to that country. Tariffs are high on many products that Brazil considers nonessential, or which compete with domestic production. They are even severe on some products that do not compete, such as dried green peas, deciduous and dried fruits, and hops.

In addition to the regular tariffs, there is a 2-percent Port Improvement Tax on non-LAFTA imports; a 15-percent Merchant Marine Renewal Tax is charged on net freight charges on all imports. Exceptions to these are granted on state-traded (and thus duty-free) wheat imports and on certain imports from LAFTA countries. In the latter instances, the Port Improvement Tax is either reduced or waived.

Paraguay benefits most from this arrangement. It has a long list of products that may be imported duty free and that are not subject to the Port Improvement Tax. Because Ecuador and Bolivia have not been negotiating tariff problems with Brazil as long as Paraguay has, their lists are shorter.

In the case of Uruguay, relief is granted in the form of special LAFTA duty reductions on certain products, instead of complete exemptions. The list of reduced duties is considered to be temporary, but it has been renewed for several years and, because of economic and political problems in Uruguay, the effective period of the list may be extended again.

In 1970 the Port Improvement Tax rate was set at 2 percent for all new commodities added to Brazil's National List under LAFTA. Only imports from Bolivia, Ecuador, and Paraguay are exempt from this policy.

A state trading system, under which the Brazilian Wheat Board exercises de facto monopoly control over all wheat and flour imports, governs both government-to-government arrangements and international purchase tenders.

There are no licensing restrictions on any exports.

On December 30, 1968, the Brazilian Government published Decree-Law 398 which increased by 100 percentage points the ad valorem taxes on certain nonessential goods imported from other than LAFTA sources. The law is scheduled to expire December 31, 1971, and at this time it is uncertain whether it will be renewed.

Some observers think it likely the list of products affected by the decree-law will be reduced in number if it is renewed, but that high duties on large demand items such as scotch whisky will be kept in force beyond 1971.

In addition to levies imposed by the Federal Government, Brazilian States also assess taxes on imports—such as the ICM levy (a State-municipal sales tax) which is applied to fresh fruit from the United States and other non-LAFTA countries.

—Based on a dispatch from
JOHN C. MCDONALD
U.S. Agricultural Attaché, Brasília

Brazil's Big C
Orange Juice E

BRAZIL, one of the two first-ranking exporters of concentrated orange juice in the world, is expected to increase its shipments in 1971. Its foreign sales will, in many countries, such as West Germany, be in direct competition with citrus juice concentrates from the United States—the other leading exporter.

Present forecasts, considered by some to be conservative, are that Brazil's citrus juice exports in 1971 will be around 35,000 metric tons compared with about 33,500 tons in 1970 and 23,250 tons in 1969. Only 8 years ago, in 1963, Brazil's first modern, export-oriented processing plant for citrus juice was established, and total juice exports for the year were 5,313 tons.

Brazil sells citrus juice concentrates to several major U.S. markets, and its 1970 shipments to such important U.S. outlets as West Germany, Sweden, and African countries rose. On the other hand, Brazil's shipments to the Netherlands and Canada, also major U.S. sales places, fell slightly.

Brazil's 1971 orange juice exports will depend on the size of competitors' crops and the international price of juice—especially for juice from the United States.

Brazil's first orange juice exports followed the 1962 freeze in Florida that resulted in a sharp drop in availability of U.S. citrus juices for export and an increase in prices. High international prices encouraged Brazil to establish processing plants to utilize some of its surplus citrus.

Despite resumption in Florida of an upward production trend, Brazil, because of its abundant supplies of processing fruit, continued to expand its facilities for orange juice manufacture.

Also, Brazil's diminishing foreign sales of fresh citrus after 1965 spurred

Concentrated Exports Soar

alternative citrus use. Fresh citrus shipments in 1965 were about 4 million boxes—approximately 88 pounds each—and the highest after World War II. By 1968 they had fallen to under 2.2 million boxes; in 1969 they slipped to 1.7 million; and in 1970 they declined further to 1.5 million and were the lowest since 1957 (1.25 million boxes).

Traditionally, Brazil shipped fresh citrus to European countries from April through October, when Mediterranean citrus growers were not exporting. However, in recent years South Africa has been shipping high-quality fresh citrus to Continental Europe, in addition to the United Kingdom, in the summer. Also, new citrus producers in the Mediterranean area—such as Morocco and Israel—increased local supplies and extended their season by growing more late-maturing oranges. Brazil lost much of its fresh citrus market.

BRAZIL'S EXPORTS OF ORANGE JUICE BY DESTINATION, 1970

Country	Amount
	Metric tons
West Germany	19,051
Canada	[1] 4,289
Netherlands	4,103
Israel	1,973
Sweden	1,041
United States	1,005
United Kingdom	582
Mozambique	520
Belgium-Luxembourg	288
Denmark	190
Spain	152
Norway	151
South Africa	100
Japan	10
Finland	10
Senegal	2
Bolivia	1
Total	33,468

[1] Plus 23 tons of lemon juice.
Source: Bank of Brazil (CACEX).

Until this year, São Paulo has been the only State in Brazil exporting concentrated orange juice. It is also the country's chief producer of citrus fruit, and the 1971 orange crop is estimated at 45 million boxes (slightly up from 1970). In 1970 about 28 percent of São Paulo's orange crop went to juice plants—about 13 million boxes.

However, since 1970, processing capacity in some plants has been nearly doubled, and about 16.5 million boxes will probably be processed, mostly into frozen orange juice concentrate, in 1971. If total capacity were utilized—that is, if domestic and world demand for Brazilian juice were high enough—about 20 million to 21 million boxes could be processed.

A further 20-percent increase in citrus-processing capacity is forecast for 1972 for Brazilian plants, some of which will be due to the addition of new factories. One new plant has already been added in São Paulo this year to the five that were processing juice for export last year, and another is beginning operations in Rio Grande do Sul.

The new plant in Rio Grande do Sul is the first step in broadening Brazil's citrus juice export spectrum. Rio Grande do Sul is an important producer of lemons and limes as well as of oranges, and it is likely that shipments from this plant will include lemon and lime juices. So far processors in São Paulo have shown little interest in anything but orange juice extraction.

In addition to international competition, some factors that will affect Brazil's citrus juice exports in the future are: rate of new plantings of orange trees in São Paulo and other States, productivity of plantings, and domestic demand for citrus juices.

In São Paulo the rate of citrus planting has been high in past years. Estimates are that the number of trees went from 13.6 million in 1960 to about 39 million in 1970 to nearly 44 million in 1971. Further, about 10 million of the present trees are 4 years old or under, or have not yet reached peak production.

However, not all the 7 million citrus seedlings sold by São Paulo nurseries in 1970 and the first half of 1971 are being used to increase the number of trees; many seedlings are replacements for nonproducing trees in existing orange, lemon, and lime groves.

Other States, selling almost exclusively to Brazil's domestic market for fresh citrus fruit, are also increasing plantings. Rio de Janeiro, through a State credit and rural extension organization, got about 1 million new citrus seedlings planted in 1970. In the northeast, in Sergipe and Bahia, plantings are expanding at the rate of 18 percent and 10 percent a year, respectively.

As a result of good prices to Brazilian citrus growers this year, orange tree plantings will probably continue upward.

During the same period (1960–70) the number of trees more than tripled in São Paulo, productivity per tree rose about 30 percent. Better yields were due to greater plantings of new clone seedlings, use of more fertilizer, and better cultivation methods.

Although domestic consumption of frozen orange juice concentrate is still small in Brazil (only about 1 million boxes of the 13 million that in 1970 were processed into juice), it could become an important factor in supply of orange juice in the future for export. Brazilian use of juice concentrate is growing rapidly, and would probably grow much faster except for lack of refrigeration facilities.

Many homes do not have refrigerators with roomy and adequately low-temperature freezing compartments, and supermarket chains have inadequate cold storage facilities for more than a few days' supplies of frozen goods. Equipment for transporting frozen foods within Brazil's States and between States is also meager.

Supermarkets at present seem unwilling to pay for installing more and larger freezer compartments and want the citrus-processing firms to maintain storage facilities for frozen juice concentrate.

Recently, a Brazilian Government group, studying the domestic citrus situation, indicated that the national citrus industry—second now only to that of the United States—is threatened with overproduction and lower prices. Its two recommendations for official action were: a new law requiring use of natural orange or tangerine juice in all orange- and tangerine-flavored nonalcoholic beverages; and reduction of Federal taxes on processed citrus drinks. No action has been taken yet on either of the two proposals.

Brazilian technician counts wheat seed for germination test.

Planning Agency Formed as Brazil Reorganizes Agriculture Ministry

Under the leadership of its new chief, the Brazilian Ministry of Agriculture has undergone a major reorganization that could have a significant effect on Brazil's farming.

Emphasizing the trade, monetary, and credit policies that affect agriculture, the Minister, Luiz Fernando Cirne Lima, formulated a plan of reorganization which was approved and signed into law by the President of Brazil on May 6, 1971. The plan streamlines the organization of the Ministry and creates an important new agency—the Office of Planning and Budget (Suplan).

Suplan consolidates and replaces two former bureaus—the Central Office of Planning and Control, and the Office of Statistics, Analysis, and Economic Studies. By combining these offices and increasing the responsibility of the head of Suplan, the Minister hopes to have more control over the important planning, analysis, and policy areas of agriculture which have been neglected in the past.

An important innovation of Suplan is the creation of two operations offices manned by task forces of young economists with graduate degrees. They are the Office of Statistics which is divided into four- or five- member task forces dealing with crop forecasting, basic statistics, economic statistics and planning, and data processing; and the Office of Economic Analysis and Agricultural Policy which will have task forces dealing with institutional analysis, agrarian structure, human resources and rural sociology, production economics and rural administration, financing and insuring crops, marketing, and macroeconomic studies.

To attract the necessary technicians and specialists to staff these new offices, the Ministry has worked out a method of contracting from private organizations consultants who can be paid more than the present low level of Government salaries.

A new National Department of Marketing Services will be responsible to the Secretary General who administers Suplan. It will publicize marketing information and will be in charge of inspecting and setting standards for crops. In the future these functions may be broadened to include animal products as well.

The Secretary General also has responsibility for other offices with administrative functions in crop production, animal production, agricultural research, rural engineering, and meteorology. These offices received new names under the reorganization but they have the same functions as their predecessors did.

In addition to completing the major reorganization the Minister has also moved to assert his authority over the semi-independent agencies which, although attached to the Ministry, were often more powerful in their own fields than the Ministry itself. These agencies are the National Superintendency of Supply (Sunab), the Superintendency of Fishery Development (Sudepe), the Brazilian Institute of Forestry Development (IBDF), and the Production Financing Commission (CFP). The Minister will also control two Government-owned companies—the Brazilian Food Company (Cobal), and the Brazilian Warehousing Company (Cibrazem)—and a company which is partially owned by the Government, the Na-

(Continued on page 16)

Brazil Enacts Land Ownership Law

A decree-law to enlarge land ownership and to provide incentives encouraging development of agro-industries in Brazil's northern and northeastern regions was recently signed by Brazilian President Emílio G. Médici.

Known as PROTERRA, the program calls for the expenditure of about $760 million to finance the purchase and expropriation of land with cash payment to owners, for subsequent resale to small and medium-sized producers; loans to enable non-land-owning rural producers to purchase farm land, and to help farmers operating small, non-profitable farms to enlarge their holdings. It will also provide financing for expansion of agro-industries, for a step up in research programs, and an improvement of storage and distribution facilities; and establishment of a guaranteed minimum price for exports.

The program is to be financed by provisions made in the Federal budget, by transfer of funds from the National Integration Program, by domestic and foreign loans, and by allowing corporations to take tax deductions for investment in approved projects between 1972 and 1976.

Brazil's 1971 Coffee Crop Up As Food Production Declines

Brazilian crop production in 1971 should increase 4 to 5 percent in spite of a slight drop in production of food crops. The larger 1971 coffee crop, which follows the most disastrous harvest since World War II, accounts for the bulk of the rise.

Drought in the productive central west and abundant rains in the northeast—the reverse of the 1970 pattern—characterized the 1971 growing season. The increased use of agricultural credit and inputs such as fertilizer and machinery in the south resulted in greater production of crops important in the southern region such as wheat and soybeans. As a result, wheat import needs are down, but imports of U.S. wheat are up because of the shortage of Argentine supplies.

The Foreign Agricultural Service has forecast the coffee crop—Brazil's major export—at 1.4 million metric tons (23.6 million bags). This is a sharp recovery from the 585,000 metric tons (9.75 million bags) produced in 1970. The Brazilian Coffee Institute (IBC) forecasts an even larger crop of 1.6 million tons (26.7 million bags). Adequate rainfall, substantial fertilizer, and deep pruning contributed to recovery from the after effects of the 1969 frost. The 1971 crop is expected to almost meet export and domestic needs.

Coffee exports were down in the 1970–71 marketing year (July-June)—1.5 million bags less than the 18.5 million bags (1.1 million tons) of the 2 previous years—but earnings were high because of high world prices. Severe price competition prompted the IBC in February 1971 to cut the minimum export price from 51 cents per pound to 39 cents per pound to make Brazilian coffee competitive in export markets. It then cut the contribution quota (an export tax) by 46 percent from $35.70 to $19.20 per bag of Type 6 coffee so that the reduced export price would not affect the earnings of growers or exporters.

Cotton production, the same as in calendar 1970 at 2.69 million bales, reflects a 19-percent drop in the south to 1.86 million bales, which has been completely offset by a 112-percent rise to 827,000 bales in the northeast, where abundant rains have revived the drought-stricken tree cotton. In the south, 45 consecutive days of drought in the December-January growing season were followed by heavy rainfall in the March-May harvest period. Lower yields for 2 successive years have just spurred the Government to hike the cotton support price to up acreage.

Cotton exports, which dropped from a high of 439,000 tons in 1969 to 342,000 in 1970, are expected to slip further in calendar 1971 because of reduced supplies in the south.

Cocoa bean production may exceed last year's level of 200,000 metric tons. Reports indicate the Temporão harvest in Bahía during May-September 1971 has set a record of 132,000 tons.

The sugarcane harvest is expected to equal the record harvest of 90 million metric tons in 1970.

In spite of production records in wheat and soybeans, poor harvests of corn and rice cut total food production. The drought in the central west caused the decline in the production of corn and rice following abundant harvests in 1970. The drought reduced the dryland rice harvest of central Brazil by as much as 50 percent in some States, but irrigated rice in Rio Grande do Sul was unaffected. The total rice harvest may be down by as much as 20 percent.

Farmers increased the area in corn, but drought cut yields. The harvest may be down 700,000 tons from the 14.2 million tons of 1970. Corn exports will be down from last year's 1.45 million tons to a maximum of 1.3 million tons.

The dry bean harvest should be up slightly from last year's 2.4 million metric tons.

Soybean production has been estimated to reach a record 2.1 million tons, up almost 60 percent from 1970. However, increasing consumption of vegetable oils and a shortage of cottonseed indicate that crushers will require more soybeans than last year. Exports of soybeans should be below the 1970 level of 290,000 tons, but soybean meal exports should be up sharply.

The Government expects wheat production to top three successive wheat records with a harvest up 16 percent to 2 million tons. The support price for the crop to be harvested beginning in December is about $100 a ton, down in real value from last year's prices.

Wheat import requirements are less in 1971 because of the good wheat harvests, but purchases had totaled 1.4 million tons by August. Since Argentina is unable to deliver its customary 1 million tons, Brazil has turned to other suppliers, notably the United States whose exports to Brazil are above those of 1970. Purchases during January-August were from the United States with 819,000 tons; Canada, 400,000 tons; Argentina, 72,000 tons; Uruguay, 60,000 tons; and Bulgaria, 60,000 tons. An additional 20,000 tons may be purchased from Uruguay.

—By SAMUEL O. RUFF
Foreign Regional Analysis Division
Economic Research Service

Brazil Sets New Farm Support Prices

A wide range of Brazilian crops will receive higher minimum support prices this crop year, according to an August 3 announcement by Brazil's National Monetary Council.

The new support levels apply to 10 major crops—cotton, peanuts, rice, edible beans, soybeans, sunflowerseed, castor beans, corn, sorghum, and cassava—which were planted in southcentral Brazil when the new crop season started in September. Prices are from 13 to 80 percent higher than those of last season, and average 36.5 percent for the 10 crops.

The smallest increase was in the support level for rice, which advanced only 13 percent—to Cr$22.50 per 60 kilos—which barely kept pace with the 13 percent devaluation of the cruzeiro.

The support price of corn advanced 22.7 percent, from Cr$11 per 60 kilos to Cr$13.50 per 60 kilos. Grain sorghums were included on the price support list for the first time, with a floor price of 80 percent of that for corn, or Cr$10.80 per 60 kilos.

The support price of white and colored beans was increased 28 percent, and that of soybeans, 46.1 percent.

World Cotton Stocks Near 20-Year Low, Says FAS Survey

World stocks of cotton may fall to the lowest level in two decades, according to a survey of cotton acreage in 1971-72, which was recently completed by the Foreign Agricultural Service's Cotton Division.

The survey estimated the cotton acreages of the 19 major foreign cotton-producing countries, which—together with the United States—have produced 88 percent of the world's cotton in recent years.

According to the survey, the 19 foreign countries increased their cotton acreage in 1971-72 by about 2.8 percent over 1970-71, when they produced 34.9 million bales. If production grows in the same proportion as acreage, this year's crop should yield about 1 million bales more than last year's total production. (However, the gain in production could be more than the 2.8 percent rise in acreage if average yield-per-acre levels rise to a more normal level.)

This estimated increase in production, added to the expected gain in U.S. production—800,000 bales—gives a total for the increase in world cotton production of less than 2 million bales.

In order to raise production to the consumption level, an additional 2.5 to 3 million bales must be produced in 1971-72. Since the estimated increase in world production is below this level, world stocks—which reached their lowest level in 18 years at the beginning of the 1971-72 season—are likely to be reduced to even lower levels by the end of the marketing year.

The sources surveyed were also asked to estimate the likely level of cotton acreage in 1972-73 in the 19 countries, assuming that international cotton prices remain at attractive levels. Cotton acreage for the 19 countries in 1972-73 was estimated to increase 6.5 percent above the 1970-71 level.

These conclusions are preliminary and are based on rough estimates of cotton acreage. A much more detailed report on world production, consumption, and trade outlook for 1971-72 (based on the annual cotton reports from most cotton-producing and importing countries) will be made available in several weeks.

U.S. Seed Exports Continue Growth For Fourth Record-Breaking Year

For the fourth straight year, U.S. seed exporters have had record sales. For the year ending June 30, 1971, total sales amounted to $63.8 million, an increase of 18 percent over the 1969-70 total of $54 million.

Grass and legume seeds ($30.4 million) accounted for 48 percent of total sales, followed by vegetable seeds ($13.4 million) and seed corn ($3.7 million).

Sales of seed corn dropped compared to last year, as a result of the Southern corn leaf blight. The seed corn industry is confident, however, that sufficient quantities of blight-resistant seed will be available for export sales in the 1971-72 season.

In order of importance, the top 10 markets for U.S. seeds in 1970-71 were (in millions): Canada ($10.1), Mexico ($8.1), Italy ($4.9), West Germany ($4.9), Japan ($4.3), Netherlands ($3.9), France ($3.6), United Kingdom ($3.0), Argentina ($1.9), and Venezuela ($1.6). These 10 countries accounted for 73 percent of total sales.

The success of American seed exports has been bolstered by the high quality of U.S. seeds and by the efforts of U.S. seedsmen to comply with buyers' specifications. In addition, climatic conditions in certain areas of the United States are ideal for the multiplication of seeds of foreign-bred varieties which are either returned to the country of origin or shipped to third-country markets.

Future prospects appear bright. Redoubled efforts by many developing countries to increase the output and consumption of meat, dairy, and poultry products will continue to expand the demand for high-yielding forage seeds used in pasture development and for cereal grains used in feeds.

Tastes around the world are changing. Sweet corn, for example, is becoming well known in many countries where it was unheard of before and the United States is in a commanding position as far as this crop is concerned.

The U.S. Plant Variety Protection Act, passed in December, 1970, will give added incentive to private breeders to continue research on new varieties for use at home and abroad. These factors should aid the American seed industry to expand export sales, despite increased competition from other producing countries.

The dollar value of seeds imported into the United States also increased markedly during fiscal year 1971. Imports of the major farm, forage, and vegetable seeds totaled $22.1 million, up 36 percent from last year.

The major portion of the increase was for seed corn. The efforts of the U.S. seed corn trade to secure as much blight-resistant seed as possible for planting in 1971 resulted in imports of 48 million pounds of seed corn in FY 71. The amount of seed corn normally imported in recent years has ranged from 3 to 5 million pounds.

Floating Dollar Buoys U.S. Cotton Sales

The international competitive position of American cotton has dramatically improved on world markets following President Nixon's August 15 announcement that the dollar would be allowed to float on international currency exchanges.

Prior to August 15, the Liverpool (England) Cotton Market had quoted U.S. Strict Middling 1 1/16-inch cotton at prices above the Liverpool c.i.f. Index for all but 2 months of the 1970–71 season. (The Liverpool Index is the average price of the cheapest six of 12 selected Strict Middling 1 1/16-inch cottons and is widely recognized as a reliable barometer of international cotton prices.)

Immediately following the President's announcement, the price of U.S. cotton dropped approximately 5 percent, and for 4 consecutive weeks has been quoted at about three-quarters of a cent per pound below the Index. This price advantage, together with the tight world cotton supply situation (see "World Cotton Stocks Near 20-Year Low, Says FAS Survey," on this page), should insure strong demand for U.S. cotton during 1971–72.

Canadian Oats and Barley Producers Reap Higher Advance Payment Rates

Western Canadian oats and barley producers are eligible for higher advance payment rates on their grain under revisions of the Prairie Grain Advance Payments Act.

In announcing the revisions, Otto Lang, Minister Responsible for the Canadian Wheat Board, pointed out that the change ". . . will enable advances obtainable on oats and barley to be brought into closer relationship to those previously obtainable on wheat as quota levels for oats and barley are usually much higher than those for wheat."

Originally promulgated in November 1957, the Advance Payments Act authorized the Wheat Board to make advance payments to western producers on farm-stored wheat, oats, and barley at the rates of 50, 20, and 30 cents per bushel. The law limited to $3,000 the maximum amount any one applicant could receive for his grain.

Since 1957 the rates for grain and the maximum limit have increased. In July 1971, the amount paid for wheat was $1 per bushel; for oats, 40 cents per bushel; and for barley, 70 cents per bushel. The maximum advance payment increased to $6,000.

An additional restriction, called the "6-bushel limitation," limited the amount of grain per acre on which advances could be paid to 6 bushels. Thus, the maximum advance a producer could receive for an acre of wheat was six times the amount paid per bushel of wheat, or $6 (in July 1971). The maximum amount per acre of oats was $2.40; for barley, $4.20 per acre.

When the grain was actually delivered to the elevator, half of the advance payment was deducted from the amount paid to the producer for his grain. The balance was repaid later.

The revised law not only changes the rates paid for wheat, oats, and barley to 95, 35, and 50 cents per bushel, but also replaces the 6-bushel limitation with stated quota levels for each crop. A producer is now eligible for advances on 7 bushels per acre of wheat; on 14 bushels per acre of oats; and on 12 bushels per acre of barley. The revised law retains the $6,000 ceiling.

The maximum advances per acre under the old law and the revised law are compared below:

	Old law 1970-71	New law 1971-72
Wheat	$6.00	$6.65
Oats	2.40	4.90
Barley	4.20	6.00

The new law also specifies that the entire advance must be repaid when the grain is delivered to the elevator.

These revisions to the Advance Payments Act are especially important to grain producers since the Wheat Board controls grain deliveries to elevators through the use of delivery quotas; in effect, the producer must store a large percentage of his grain. Consequently, the advance payment provides the producer with ready cash until he is allowed to market his crop.

The revisions also underscore the Government's efforts to equalize incentives for the production of feedgrains —oats and barley—in relation to wheat production. The higher advance rates paid for oats and barley, coupled with quotas which are traditionally higher than those for wheat, should encourage oats and barley production.

Congo (Kinshasa) Becomes the 79th Member of GATT

The Democratic Republic of the Congo (Kinshasa) became the 79th contracting party to the General Agreement on Tariffs and Trade (GATT) on September 11, after terms of accession were negotiated in June at a GATT working party.

The Congo chose to accede under Article XXXIII of the General Agreement, which requires negotiation of a new schedule of tariff concessions. (Most less developed countries have acceded under Article XXVI, Paragraph 5, which allows membership without negotiation to former colonies, provided the previous concessions to the contracting parties remain the same.)

The Congo levies both customs duties and revenue duties at the border. Customs duties are all on a most-favored-nation basis. The Congo has also negotiated bound duty concessions on a number of items as part of the terms of accession to GATT.

Items of interest to U.S. agriculture on which the Congo has bound its duty rates include wheat flour (U.S. exports of $1.7 million in 1970) and rice ($873,000).

U.K. To Use Stronger Newcastle Vaccine

The Minister of Agriculture of the United Kingdom announced on August 5 that La Sota anti-Newcastle disease vaccine should be authorized for general use without delay. The Minister said there is now sufficient evidence that the vaccine, if correctly applied, has no adverse side effects on chickens and other fowl.

Reportedly, the Ministry is satisfied that La Sota vaccine (like inactivated vaccine), when used as a booster, provides substantially greater and longer lasting protection than Hitchner B1 vaccine. Like the latter, La Sota vaccine has the advantage over inactivated vaccine in that it is much easier and cheaper to manufacture and use.

Hitchner B1 vaccine was first authorized for use in December 1970 when the Newcastle disease epidemic was at its peak in Britain.

La Sota vaccine is not now manufactured in Britain and must be imported from the Netherlands and France. Applications for licenses to manufacture it in Britain are at present being considered by the Ministry.

The present epidemic of the disease began on August 24, 1970 and up to July 29, 1971, some 6,816 outbreaks have occurred, of which only about 12 percent were in fully vaccinated flocks. It is estimated that the outbreaks have involved about 43 million broilers, turkeys, and layers. In recent weeks the number of outbreaks has fallen sharply to about four cases a day.

According to the Minister's release, the La Sota vaccine virus, like the Hitchner B1 virus, is a naturally occurring strain. It is a slightly stronger vaccine than the Hitchner B1 and produces a higher level of immunity. Its greatest value lies in its use as a booster vaccine following the use of Hitchner B1 or inactivated vaccine in a regular program.

Fats, Oils, and Oilseeds

U.S. Oilcakes and Meals, July Exports

U.S. soybean meal exports in July, at 406,600 tons, were virtually the same as the exceptionally large volume of 407,100 tons exported in July 1970. October-July exports, however, reached 3.72 million tons—up 7 percent or 258,100 tons from last year's cumulative total of 3.46 million tons.

The increase of over a quarter of a million tons was taken principally by the European Community, followed by Mexico, Eastern Europe, the United Kingdom, and Denmark. Exports to Canada, Switzerland, and Japan, however, declined.

Besides the increased exports of soybean meal, heavier shipments of cottonseed, linseed, and other cakes and meal brought total exports of cakes and meals to 3.89 million tons, an increase of 9 percent or 322,800 tons from last year's October-July total of 3.57 million tons.

U.S. EXPORTS OF CAKES AND MEALS

Item and country of destination	July		October-July	
	1970 [1]	1971 [1]	1969-70 [1]	1970-71 [1]
	1,000	*1,000*	*1,000*	*1,000*
Soybean:	*tons*	*tons*	*tons*	*tons*
Belgium-Luxembourg	19.0	25.9	173.1	243.8
France	68.3	54.4	527.9	599.1
Germany, West	88.1	95.6	799.1	787.3
Italy	28.5	48.9	271.9	283.2
Netherlands	87.3	57.7	564.5	546.4
Total EC [2]	291.1	282.3	2,336.5	2,459.8
Canada	22.7	20.9	226.6	202.4
Yugoslavia	12.8	21.1	151.4	186.8
Hungary	14.7	14.9	140.1	119.4
United Kingdom	6.1	4.4	38.3	87.4
Poland	10.1	11.4	94.7	82.0
Denmark	3.5	5.5	32.5	77.4
Mexico	.5	.3	2.3	76.7
Czechoslovakia	0	12.1	17.8	64.6
Switzerland	3.5	10.1	94.2	55.2
Philippines	3.8	2.2	39.1	46.1
Ireland	13.2	0	44.0	36.5
Bulgaria	0	0	30.4	32.9
Australia	4.4	3.6	29.9	29.2
Korea, Republic	3.3	0	11.0	26.1
Lebanon	0	11.4	14.7	25.5
Vietnam, South	0	0	.1	19.4
Portugal	0	0	8.7	9.2
Others	17.4	6.4	151.3	85.1
Total [2]	407.1	406.6	3,463.6	3,721.7
Cottonseed	.8	.1	6.2	26.9
Linseed	2.4	8.8	56.7	73.9
Total cakes and meals [3]	414.7	419.0	3,566.1	3,899.0

[1] Preliminary. [2] Totals computed from unrounded data. [3] Includes peanut and small quantities of other cakes and meals. Bureau of the Census.

U.S. Soybeans, July Exports

U.S. soybean exports in July totaled 34.4 million bushels, 9.2 million bushels more than exports in July 1970. September-July exports, at 401.4 millon bushels, edged slightly above the 399.7 million exported through July a year ago.

The boost in exports resulted mainly from larger shipments of soybeans to West Germany, France, Israel, and Japan. Exports to Canada, which include sizable quantities of soybeans for transshipment to other destinations, declined to 38 million bushels from 62 million shipped through July 1970.

U.S. EXPORTS OF SOYBEANS

Country of destination	July		September-July	
	1970 [1]	1971 [1]	1969-70 [1]	1970-71 [1]
	Mil.	*Mil.*	*Mil.*	*Mil.*
	bu.	*bu.*	*bu.*	*bu.*
Belgium-Luxembourg	0.2	0.6	15.5	12.5
France	.4	.6	3.8	12.1
Germany, West	2.1	4.3	37.7	49.8
Italy	.1	1.8	25.0	24.1
Netherlands	3.0	3.9	54.4	52.3
Total EC [2]	5.8	11.1	136.4	151.0
Japan	7.4	9.9	91.5	94.0
Canada	5.2	6.4	62.0	38.0
Spain	2.5	2.0	34.1	36.5
Denmark	1.5	1.5	17.8	19.3
China, Taiwan	1.5	.7	20.1	18.3
Israel	0	.7	8.3	12.8
Norway	.9	.8	5.0	7.1
United Kingdom	(3)	.5	7.4	5.9
Poland	0	0	4.9	3.1
Venezuela	0	.5	2.1	3.0
Mexico	.2	(3)	4.9	2.2
Korea, Republic	0	0	1.0	2.0
Hungary	0	0	.5	1.2
Yugoslavia	0	0	0	1.1
Singapore	.2	0	1.3	1.0
Others	0	.3	2.4	4.9
Total [2]	25.2	34.4	399.7	401.4
	Mil.	*Mil.*	*Mil.*	*Mil.*
	lb.	*lb.*	*lb.*	*lb.*
Oil equivalent	277.2	378.3	4,388.5	4,407.8
	1,000	*1,000*	*1,000*	*1,000*
	short	*short*	*short*	*short*
	tons	*tons*	*tons*	*tons*
Meal equivalent	593.2	809.6	9,392.6	9,433.8

[1] Preliminary. [2] Totals computed from unrounded data. [3] Less than 500,000 bu. Bureau of the Census.

U.S. Edible Oils, July Exports

Soybean oil exports in July were exceptionally heavy, totaling 202.3 million pounds, an increase of 50.1 million or 33 percent from the relatively large volume of 152.2 million pounds exported in July 1970. Exports through July rose to 1.51 billion pounds from 1.11 billion in October-July a year ago. The increase was entirely in commercial sales, which were estimated to reach 889 million pounds. This compares

with 454 million exported commercially through July 1970. Public Law 480 shipments declined slightly to 624 million pounds from 656 million in the same months last year. Principal recipients of soybean oil in the current season have been Yugoslavia, Pakistan, India, Iran, Morocco, Peru, Tunisia, and Chile. Exports to these countries represent over three-fourths of the soybean oil exported so far this year.

Cottonseed oil exports, which averaged less than 30 million pounds per month in the first 9 months of the marketing year, increased suddenly in July to 69.8 million pounds. The increase was due primarily to the 38.4 million pounds taken by the United Arab Republic. Despite this, however, October-July exports, at 330.7 million pounds, lagged 22 percent—95.3 million pounds—behind last year's comparable total of 426 million pounds. Commercial sales, at 320.7 million pounds, accounted for all but 10 million pounds of the total so far this marketing year. Over 90 percent of the cottonseed oil exported was taken by the United Arab Republic, Venezuela, West Germany, the United Kingdom, Poland, Canada, the Netherlands, and Sweden.

U.S. EXPORTS OF EDIBLE OILS

Item and country of destination	July		October-July	
	1970 [1]	1971 [1]	1969-70 [1]	1970-71 [1]
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Soybean: [2]				
Yugoslavia	7.7	0	(3)	255.7
Pakistan	0	38.7	317.1	251.0
India	67.9	51.1	201.3	213.8
Iran	40.7	35.2	119.4	119.6
Morocco	6.6	.1	28.9	87.4
Peru	.9	16.7	38.1	87.2
Tunisia	6.0	0	77.5	76.7
Chile	.2	7.6	26.7	57.5
Canada	6.1	2.0	40.4	42.6
Israel	.9	1.0	20.6	39.3
Turkey	0	19.8	6.3	23.9
Haiti	1.1	3.4	15.9	23.1
Panama	(3)	3.2	11.4	22.9
Dominican Republic	0	4.9	15.4	20.9
Ecuador	.5	.5	8.6	18.8
China, Taiwan	1.1	3.2	1.1	14.2
Colombia	2.3	.3	15.9	13.2
Greece	0	0	0	12.1
United Kingdom	0	.2	11.5	9.7
Malaysia	0	.1	0	8.9
Singapore	0	0	1.1	8.8
Jamaica	3.2	.6	14.5	8.6
Mauritius	2.2	4.1	15.4	8.6
Australia	.5	.4	7.8	7.3
Vietnam, South	0	0	4.5	7.2
Guinea	0	0	.1	6.9
Brazil	.8	0	9.3	5.5
Others	3.3	9.2	101.4	61.7
Total [4]	152.1	202.3	1,110.2	1,513.1
Cottonseed: [2]				
Belgium-Luxembourg	0	(3)	5.6	.7
France	0	(3)	(3)	.1
Germany, West	0	6.5	33.7	45.4
Italy	0	0	(3)	(3)
Netherlands	0	1.7	33.9	19.9
Total EC [4]	0	8.2	73.2	66.1
U.A.R.	0	38.4	64.7	67.3
Venezuela	1.1	9.8	40.1	57.8
United Kingdom	(3)	0	70.1	33.5
Poland	9.1	8.2	7.5	31.9
Canada	2.1	.7	24.7	23.7
Sweden	0	4.3	11.9	18.5
Morocco	4.5	0	12.2	8.8
Mexico	.4	0	33.4	7.0
Switzerland	0	0	0	4.7
Australia	0	0	.1	4.1
Iran	0	0	37.7	1.7
Japan	0	0	5.5	1.1
Others	.3	.2	44.9	4.5
Total [4]	17.5	69.8	426.0	330.7
Total oils	169.7	272.1	1,536.2	1,843.8

[1] Preliminary. [2] Includes shipments under P.L. 480 as reported by Census. [3] Less than 50,000 lb. [4] Totals computed from unrounded data. Bureau of the Census.

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 29	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	1.89	−7	[5] 2.15
USSR SKS-14	1.89	0	(1)
Australian FAQ	1.69	0	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.81	−4	2.05
15 percent	1.94	−2	2.07
U.S. No. 2 Hard Winter:			
13.5 percent	1.77	−2	1.97
No. 3 Hard Amber Durum	1.75	−3	2.01
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.71	0	1.89
Feedgrains:			
U.S. No. 3 Yellow corn	1.32	−3	1.81
Argentine Plate corn	1.57	−6	1.97
U.S. No. 2 sorghum	1.35	−3	1.71
Argentine-Granifero sorghum	1.36	−3	1.74
U.S. No. 3 Feed barley	.97	−1	1.57
Soybeans:			
U.S. No. 2 Yellow	3.33	+4	3.27
EC import levies:			
Wheat [3]	[5] 1.51	+4	1.24
Corn [4]	[5] 1.02	+2	.57
Sorghum [4]	[5] 1.04	+4	.58

[1] Not quoted. [2] Manitoba No. 2. [3] Durum has a separate levy. [4] Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. [5] Forward trading suspended Aug. 18. Levies are for current month only. Note: Basis—30 to 60-day delivery.

World Barley Production at New Peak

The 1971 world barley crop is estimated at 127 million tons, 10 percent over that of last year and 9 percent above the 1969 record.

The Canadian crop was up 55 percent from last year, the U.S. crop, 14 percent. West European production gained 14 percent—the French harvest was up 7 percent and West Germany, Denmark, Spain, and Sweden all had record crops. East European barley production was 12 percent higher, according to current estimates. Morocco had a good crop, to raise the African total.

A detailed table appears in the September *World Agricultural Production and Trade: Statistical Report.*

WORLD BARLEY PRODUCTION

Country	1970	1971 [1]
	1,000 metric tons	*1,000 metric tons*
Canada	9,051	13,993
United States	8,936	10,230
Western Europe	35,432	40,037
Eastern Europe	8,856	9,928
USSR	29,500	27,000
Africa	2,977	3,627
Asia	17,719	18,224
Other	3,813	4,379
Total	116,284	127,418

[1] Based on information as of September 1.

World Wheat Crop Second Highest on Record

World wheat production in 1971 is estimated at 304 million metric tons—6 percent higher than in 1970 and second only to the 308-million-ton harvest of 1968.

Canadian wheat production gained 53 percent, and U.S. production, 18 percent, to reach a new record. West European production rose 12 percent, or 5.3 million tons. Based on early estimates, the East European crop was up 15 percent, or 4.8 million tons. India and Turkey had record harvests to account for the larger Asian total.

A detailed table appears in the September *World Agricultural Production and Trade: Statistical Report.*

WORLD WHEAT PRODUCTION

Country	1970	1971 [1]
	1,000 metric tons	*1,000 metric tons*
Canada	9,023	13,811
United States	37,516	44,235
Western Europe	43,737	48,994
Eastern Europe	22,720	27,565
USSR	80,000	70,000
Africa	7,377	7,769
Asia	69,117	71,795
Others	18,421	19,997
Total	287,911	304,166

[1] Based on information as of September 1.

World Oat Production Increases

World oat production in 1971 is estimated at 52.3 million tons, the highest level since 1960, and 4 percent higher than last year's.

In Canada, the harvest was 2 percent below 1970, and in the United States, 3 percent below. West European production rose 9 percent—the West German crop gaining 18 percent and Sweden's 15 percent. Preliminary estimates show the East European harvest to be 4 percent lower than last year's.

A detailed table appears in the September *World Agricultural Production and Trade: Statistical Report.*

WORLD OAT PRODUCTION

Country	1970	1971 [1]
	1,000 metric tons	*1,000 metric tons*
Canada	5,673	5,567
United States	13,201	12,841
Western Europe	11,779	12,790
Eastern Europe	5,302	5,097
USSR	10,500	12,000
Other	3,842	3,984
Total	50,297	52,279

[1] Based on information as of September 1.

Sugar and Tropical Products

Canadian Maple Products Production Down

Canada's production of maple products (expressed as sirup) amounted to 1.4 million gallons in 1971. This was a reduction of slightly less than 19 percent from the 1970 crop of 1.72 million gallons.

Estimates of the farm value of the 1971 crop are not yet available. The value of the 1970 crop, however, stood at $8.8 million, compared with $9 million in the previous season.

The Province of Quebec produces the bulk of the maple crop. Quebec production in 1971 was 1,164,000 gallons of sirup, which was 19 percent below that of 1970. Sirup production was lower this year for all four of the producing Provinces, and the production of farm-made sugar was lower in all Provinces except Nova Scotia.

Nigeria's Cocoa Producer Price Unchanged

Prices to be paid to Nigeria's Western Region cocoa farmers during the 1971-72 cocoa season will remain unchanged. The previous season's level was N£155 per long ton (19.37 U.S. cents per lb.) for grade 1, and N£140 per ton (17.5 cents per lb.) for grade 2 cocoa beans. The 1971-72 season was officially opened on September 3.

Fruits, Nuts, and Vegetables

Smaller Portuguese Dried Fig Crop

Unfavorable weather conditions in the Algarve region reduced the 1971 Portuguese dried fig crop. Production is estimated at 9,400 short tons, 26 percent below the 1970 crop of 12,700 tons, and 10 percent below the 1965-69 average. Reports indicate widespread June rains and unseasonably cool summer weather. Harvest operations are reportedly 20 days later than normal.

West German Import Tender for Asparagus

West Germany has announced two tenders allowing imports of canned asparagus spears from the United States, Argentina, Australia, Brazil, Israel, Japan, Canada, Mexico, Peru, Switzerland, Spain, South Korea, Taiwan, Thailand, and Uruguay.

The first tender is restricted to applicants who received licenses under the tender issued earlier this year. The second is open to applicants not eligible under the first.

Applications for import licenses will be accepted until April 26, 1972. Individual applications should not exceed 50 percent of the total value of licenses which are granted under the re-

spective import tender. Licenses issued will be effective until April 30, 1972.

The West German Foreign Trade Agency has reserved the right to invalidate licenses issued if the Council of Ministers of the European Community makes this product subject to an EC licensing system or escape clause action.

Iranian Dried Fruit Crop Declines

Iran's dried fruit production in 1971 is estimated at 379,400 short tons, 10 percent below last year's total of 421,200 tons. Unfavorable weather conditions reduced 1971 dried apricot production to only 4,400 tons, while the off-year production of dates (an alternate-bearing crop) was held to 309,000 tons. Production of raisins is equal to the 1970 crop of 66,000 tons. The quality of all dried fruits is reported good.

Total 1971-72 season exports of raisins and dates are forecast to reach approximately the 1970-71 level, but exports of dried apricots are expected to be much lower. Preliminary estimates indicate that exports during the 1970-71 season will be 44,000 tons for raisins, 33,000 tons for dates, and 11,000 tons for dried apricots. Russia, Hungary, West Germany, and Czechoslovakia were the leading markets for raisins and dried apricots. Kuwait, the United Kingdom, Canada, and the United States were the main export markets for dates.

IRANIAN DRIED FRUIT PRODUCTION

Item	1968	1969	1970 [1]	1971 [2]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Dates	309.0	320.0	342.0	309.0
Raisins	66.0	38.6	66.0	66.0
Apricots	9.4	8.0	13.2	4.4
Total	384.4	366.6	421.2	379.4

[1] Revised. [2] Estimated.

Spanish Dried Fruit Crop Hurt by Weather

Excessive May rains, mildew, and drought reduced 1971 Spanish production of dried fruit. Total production is estimated at 11,000 short tons, 16 percent below 1970.

The raisin crop is estimated at 5,500 tons, 29 percent below last year and 13 percent below the 1965-69 average. Dried fig production is estimated at 4,400 tons, 7 percent above that of 1970.

SPANISH DRIED FRUIT PRODUCTION

Item	1968	1969	1970 [1]	1971 [2]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Raisins:				
Malaga	5.5	4.2	5.5	3.9
Denia	2.8	1.3	2.2	1.6
Total raisins	8.3	5.5	7.7	5.5
Figs	6.6	4.4	4.1	4.4
Apricots	1.4	1.4	1.3	1.1
Total	16.3	11.3	13.1	11.0

[1] Revised. [2] Preliminary.

Yugoslav Prune Production

Yugoslavia reports a smaller 1971 dried prune crop. Production is estimated at 23,000 short tons, 21 percent below the 1970 crop of 29,000 tons. Early-season weather was excellent, but below-normal rainfall during July and August reduced fruit sizing.

Exports are forecast at well below the estimated 1970-71 level of 28,000 tons. Government policy recognizes the value of prune exports as a foreign exchange earner and has increased guaranteed prices by 25 percent to stimulate production for export.

Future policy reportedly emphasizes increased plantings and improved cultural practices.

PRODUCER PRICES FOR DRIED PRUNES

Count per pound	Price
	Cents per pound [1]
87-91	22.1
78-86	23.0
77 and larger	24.2

[1] Converted at 15 dinars per dollar.

SUPPLY AND DISTRIBUTION OF YUGOSLAV PRUNES

Item	1968-69	1969-70	1970-71 [1]	1970-71 [2]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Oct. 1)	6.6	2.8	20.4	10.4
Production	14.1	46.0	29.0	23.0
Total supply	20.7	48.0	49.4	33.4
Exports	7.0	17.0	28.0	—
Domestic disappearance	10.9	11.4	11.0	—
Ending stocks (Sept. 30)	2.8	20.4	10.4	—
Total distribution	20.7	48.8	49.4	—

[1] Revised. [2] Forecast.

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Wheat Marketing Study Issued

In response to numerous requests, a series of five articles on "Contrasts in Marketing in Major Wheat Exporting Nations" by Andrew B. Bellingham which appeared in *Foreign Agriculture* between October 1970 and March 1971 has been reissued as a pamphlet, FAS M–234. Copies may be obtained by writing to: Foreign Agricultural Service, Rm 5918 So.; U.S. Department of Agriculture; Washington, D.C. 20250.

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Foreign Agriculture

Brazil's Agricultural Potential

(Continued from page 4)

take notice. Financial institutions like the Morgan Guaranty Trust Company of New York say that 3 consecutive years of "real" economic growth put Brazil "among the top growth nations of the world." *Le Monde* of Paris, one of many foreign publications that have focused on the phenomenon, has said that Brazil, with the largest reserves (US$1.3 billion) in Latin America, "offers the picture of a nation in full development." The French newspaper said that "for 3 years Brazil has executed the most important role of any country in Latin America . . .thanks to a genuine industrial takeoff in the basic sectors."

In 1970 the Brazilian economy registered a 7.3-percent growth, with agriculture gaining 5.6 percent over its 1969 rate of expansion. Agricultural exports of US$1.9 billion represented 70 percent of total exports; both attained new record levels for the third consecutive year.

Officials say the national performance in production and trade has outstripped expectations, and they predict that needs of the domestic market alone will provide incentives for agriculture to expand at a rate of 6 to 7 percent annually, which it must do if Brazil is to attain an overall growth rate of 9 to 10 percent. They promise that agriculture will continue to benefit from incentives that encourage farmers to produce surpluses for shipment abroad. Agricultural exports, they are confident, will earn the foreign exchange necessary to finance the imports required for development. The goal is in sight, they say: Brazil will have joined the ranks of full-fledged "developed" countries by the year 2000.

Checking plastic bags of mixed fertilizer in Brazilian plant. Farmers get tax exemptions for modern farm inputs.

Ministry Reorganized

(Continued from page 8)

tional Bank of Cooperative Credit.

Two other semi-independent agencies have been consolidated to create the National Institute of Colonization and Agrarian Reform. In spite of these actions the agencies that control trade in three of Brazil's most important agricultural commodities—coffee, sugar, and cocoa—are still under the jurisdiction of the Ministry of Industry and Trade.

All these changes come at a particularly significant time because the Government is concerned with the state of Brazilian agriculture and is devoting considerable attention to its improvement. The test of their effectiveness will come in the future when it will be seen if the reforms are of continuing value or whether they depend upon the present strong Minister to make them work.

—Based on a dispatch by
JOHN C. MCDONALD
U.S. Agricultural Attaché, Brasília

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